

GOVERNMENT OF INDIA
MINISTRY OF NEW AND RENEWABLE ENERGY
LOK SABHA
UNSTARRED QUESTION NO-2620

TO BE ANSWERED ON-27.12.2018

SOLAR/POWER PRODUCTION

2620. SHRI A.P. JITHENDER REDDY

Will the Minister of NEW AND RENEWABLE ENERGY be pleased to state:-

- (a) whether the domestic manufacturers account only around 10 per cent of solar power production in the country and if so, the details thereof;
- (b) the steps taken by the Government to boost the market share of domestic manufacturers;
- (c) whether the value of rupee has any effect on the price of setting up of solar plants in the country and if so, the details thereof;
- (d) the steps taken by the Government to ensure that loans to renewable energy projects do not convert into non-performing assets; and
- (e) the number of tenders, with total power-generation capacity for solar power projects floated since 2014 along with the number of tenders that had no successful bidder and the number of tenders that were under-subscribed?

ANSWER

THE MINISTER OF STATE FOR NEW & RENEWABLE ENERGY AND POWER (I/C)
(SHRI R.K. SINGH)

(a) As per the Report No. 4/01/2018-DGTR, dated 16th July, 2018, of Directorate General of Trade Remedies, regarding the Safeguards Duty investigation on imported solar cells/modules, the Indian production of solar cells/modules, during the year 2017-18 was 842 MW (annualised figure based on production upto Sep'2017) as against the import of 9790 MW. Thus, the Indian production of solar cells/modules was around 8% of total demand during this period.

(b) The solar power projects being implemented by the Central Public Sector Undertakings (CPSUs) with financial support from the Government and those rooftop solar projects which are implemented with central financial assistance are mandated to source their requirement of solar cells & panels from domestic sources as per extant Guidelines, in a World Trade Organization (WTO) compliant manner.

The Ministry of New & Renewable Energy (MNRE) vide its O.M. No. 146/57/2018-P&C dated 11.12.2018 regarding "Implementation of Public Procurement (Preference to Make in India) Order for Renewable Energy Sector" has stipulated that apart from civil construction,

preference shall be provided in Central Ministries/Department and Central PSUs to domestically manufactured/produced products such as solar PV modules and other components such as inverters, etc. for Grid connected solar power projects. Minimum Percentage of local content required is 100% in case of solar modules and 40% for other components such as inverter. etc.

Further, Ministry of Finance, through notification no. 01/2018-Customs (SG) dated 30th July, 2018, have imposed Safeguard duty on import of solar cells whether or not assembled in modules or panels.

(c) Value of rupee will have an effect on price of solar power plant depending upon the share of imported material/ equipment deployed in the solar power plant and would vary from case to case.

(d) Solar power plants are largely being set up under a fair and transparent competitive bidding mechanism. Government have issued “Guidelines” which provide adequate safeguards against unilateral termination/ amendment of Power Purchase Agreement (PPA). Further, the said Guidelines also provide for a robust Payment Security Mechanism thereby increasing the bankability of the projects and investor confidence.

(e) Since 2014, around 33 number of tenders for purchase of solar power, aggregating to around 25GW capacity, have been floated and closed, under the aegis of Ministry of New & Renewable Energy, through Solar Energy Corporation of India Limited (SECI) and NTPC Limited. Out of these, there were no tenders that had no successful bidder, and only 2 tenders were undersubscribed.

In addition to above, around 64 tenders aggregating to around 32GW of solar power were also floated by different States during this period. Out of these, around 7 tenders were undersubscribed.
